



GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers – Workshop Room
5850 West Glendale Avenue
November 21, 2006
1:30 p.m.

WORKSHOP SESSION

1. [REVIEW OF CITIZEN BOND ELECTION COMMITTEE RECOMMENDATIONS](#) – 45 MINUTES
2. [PROPOSED ANNEXATIONS AN-166 AND AN-167: NORTHWEST CORNER OF BELL ROAD AND LOOP 101](#) – 30 MINUTES
3. [FY 2005-06 YEAR END GENERAL FUND STATUS REPORT ON REVENUES AND EXPENDITURES](#) – 45 MINUTES

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council about issues raised by the public during Business from the Floor at previous Council meetings or to provide Council with a response to inquiries raised at previous meetings by Council members. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

COUNCIL COMMENTS AND SUGGESTIONS

EXECUTIVE SESSION

1. LEGAL MATTERS
 - A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending and contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. §§38-431.03 (A)(3)(4)).

2. LEGAL MATTERS – PROPERTY & CONTRACTS

- A. Discussion/consultation with the City Attorney and City Manager to consider its position and provide instruction/direction to the City Attorney and City Manager regarding Glendale's position in connection with the possible purchase of property located at approximately 43rd and Peoria Avenues, which property is the subject of negotiations. (A.R.S. §§38-431.03 A(3)(4)(7))

3. PERSONNEL MATTERS

- A. Various terms have expired on Boards and Commissions. The City Council will be discussing appointments involving the following Boards and Commissions. (A.R.S. §38-431.03 A.1)

1. Ad-Hoc Event Advisory Committee
2. Arts Commission
3. Aviation Advisory Commission
4. Board of Adjustment
5. Citizen Bond Election Committee
6. Citizens Advisory Commission On Neighborhoods
7. Citizens Bicycle Advisory Committee
8. Citizens Transportation Oversight Commission
9. Commission On Persons With Disabilities
10. Community Development Advisory Committee
11. Historic Preservation Commission
12. Housing Advisory Commission
13. Industrial Development Authority
14. Judicial Selection Advisory Board
15. Library Advisory Board
16. Parks and Recreation Advisory Commission
17. Personnel Board
18. Planning Commission
19. Public Safety Personnel Retirement System/Fire Board
20. Public Safety Personnel Retirement System/Police Board
21. Risk Management/Worker's Compensation Trust Fund Board

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. §38-431.03 (A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03 (A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03 (A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03 (A)(5)); or

- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03 (A)(7)).

Confidentiality Requirements Pursuant to A.R.S. §38-431.03 (C)(D): Any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney by agreement of the City Council, or as otherwise ordered by a court of competent jurisdiction.



CITY OF GLENDALE

Council Communication

Workshop Agenda

11/21/2006

Item No. 1

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Raymond H. Shuey, Chief Financial Officer / Finance Director
Ron Piceno, Chair, Citizen Bond Election Committee
Rose Jacobson, Vice-Chair, Citizen Bond Election Committee

SUBJECT: **REVIEW OF CITIZEN BOND ELECTION COMMITTEE
RECOMMENDATIONS**

Purpose

- This is a request for City Council to review the conclusions reached by the Ad-hoc Citizen Bond Election Committee (Committee) convened by Council on May 23, 2006. The Committee was established and appointed as a limited duration, ad-hoc advisory committee to serve as a voter bond authorization issues focus group.
- Ron Piceno serves as Chair and Rose Jacobson serves as Vice-Chair of the Committee.
- The types of projects approved by the Committee include Public Safety, Water/Sewer, Library, Streets, Parking, Cultural/Historical, Economic Development, Government Facilities, Parks, and Flood Control projects. The total of the recommended categories is \$794,157,498. No voter authorization was requested for Landfill or Open Space/Trails.
- In order to begin finalizing the categories and amount for the bond election, it is essential that Council provide guidance at this meeting regarding the projects for which the city should seek bond authorization, if any, at a May 2007 special election. Council must call for a May election in January.

Council Strategic Goals Or Key Objectives Addressed

- The recommendations of the Ad-hoc Citizen Bond Election Committee address many Council goals. The Committee's recommendations will help ensure that neighborhoods stay vital through a continuing commitment to libraries, parks, and public safety facilities; and that quality economic development will continue. The goal of a city that is fiscally sound is addressed through the Committee's review of the practicality of projects, including costs and timeframes.

Background

- To develop the recommendations, the Committee held nine public meetings of the group as a whole between June 19 and September 25, 2006. In those meetings, senior departmental staff briefed the Committee on applicable laws and policies, a proposed pavement management plan, the existing Council-approved CIP budget, and the gap between anticipated project costs and existing voter-authorization of bond funding.
- At the September 25 meeting, the Chairs of individual sub-groups presented the results of their deliberations and specific dollar total recommendations for approval by the Committee as a whole. All recommendations were approved by consensus in the public meeting.
- Between August 28 and September 21, 2006 the Committee held three public meetings at the City Hall Complex as separate sub-groups. They were organized by categories utilized in the CIP and past bond elections, with the following five sub-group names:
 - General Government, Cultural/Historic, Economic Development
 - Parks & Recreation, Open Space & Trails, Library
 - Public Safety (Fire/PD), Courts
 - Streets/Parking
 - Water & Sewer, Flood Control, Landfill
- Each sub-group appointed its own Chair and Recorder to take minutes. Mr. Piceno served as a member of the Water & Sewer, Flood Control, Landfill sub-group. Ms. Jacobson served as a member of the Streets sub-group. Deputy City Managers or key department heads staffed each sub-group meeting related to their area of responsibility.
- Sub-groups each reviewed their portion of the Council-approved CIP program detail and questioned staff about individual projects and costs. Occasionally they gave staff direction to provide information about potential projects not in the Council-approved CIP including probable cost.

- These sub-group deliberations led to the recommendations made to the entire Committee on September 25. The recommended action primarily includes projects previously approved by Council in the current year CIP program, with a few additional projects suggested by the Committee.

Previous Council/Staff Actions

- On June 27, 2006 Council appointed Ron Piceno and Rose Jacobson as Chair and Vice Chair respectively of the Committee through February 28, 2007.
- On June 19, 2006 the Mayor addressed the opening session of the Committee. Mayor Scruggs discussed the critical nature of the Committee's task by noting the Committee's work is important to creating the future of Glendale. Mayor Scruggs explained that the Committee's recommendations serve as a suggested blueprint for the future. She emphasized that the Committee is advisory in nature and noted that Council ultimately decides which recommendations and issues will be placed on the ballot, with the voters having the final say via a bond election. Bond counsel, John Overdorff of Greenberg Traurig, LLP also spoke before the Committee that evening regarding legal requirements.
- On May 23, 2006 Council adopted Ordinance No. 2504 New Series, which established the Committee and appointed its members through February 28, 2007.
- The concept of engaging the community in the city's CIP bond authorization process was presented at the November 15, 2005 Council workshop. On May 2, 2006 staff updated the Government Services Committee on the voter authorization committee to be known as the Ad-Hoc Citizen Bond Election Committee.

Community Benefit

- Council chose to appoint an ad-hoc committee of seventy citizens representing all the districts in the city. In doing so, input from throughout the community was encouraged and sought.
- Gaining the input of Glendale residents serving on the Committee ensured public questions, concerns, and ideas were discussed and addressed in relation to the bond authorization election process. Additionally, Committee members served as knowledgeable representatives for the city and neighborhoods.
- Committee members' firsthand knowledge of impact of CIP projects in their neighborhoods generated fruitful discussion of needs and benefits gained, making Glendale a better place and providing guidance on how to improve the quality of life for our citizens.

Budget Impacts & Costs

- Projects totaling \$794,157,498 have been recommended for the bond election by the Ad-hoc Citizen Bond Election Committee. This amount is comparable to the amount approved by the voters in 1999 (\$411 million) and 1987 (\$203 million) when adjusted for cost increases and population growth. The categories of projects being recommended are similar to those in the 1999 and 1987 bond elections.
- The individual category totals recommended by the sub-groups and approved by consensus at the Committee's September 25 public meeting are:

○ Cultural/Historical	\$7,333,752
○ Economic Development	\$51,587,846
○ Flood Control	\$31,973,255
○ Government Facilities	\$13,707,000
○ Streets (highway user revenue bond financed)	\$21,023,000
○ Library	\$13,015,482
○ Parks	\$143,446,453
○ Public safety	\$152,221,755
○ Streets/Parking	\$91,542,247
○ Water and Sewer	<u>\$268,306,708</u>
○ TOTAL	\$794,157,498
- The approval by Glendale voters of the \$794,157,498 recommended by the Committee would not require a tax increase. The total property tax rate, after one-time reduction in the fiscal year 2007-08 budget process to offset extraordinary assessed valuation increases, would remain the same if the projects were staged over at least a 10-year period of time. A combination of bonds and other funding sources, such as cash balances, grants, and Development Impact Fees can also be used to fund some of the projects included in the Committee's recommendation.
- In its meetings, the Committee reviewed and understood existing city practice that places three fiscal constraints on CIP projects that use voter-authorized bonds: (1) before a project begins, adequate funding must be available in the Council-adopted budget to ensure completion and first-year operation; (2) Arizona State Constitution limits on outstanding debt must be met before issuing bonds; and (3) bonds will not be issued that result in an increase in the total property tax rate.

Policy Guidance

Staff is seeking guidance from the Council on the following:

1. Does Council want staff to prepare and submit a request for a May 2007 bond election for consideration and formal action?
2. Does Council want to modify the categories, listing of projects, or dollar totals recommended by the Committee for the election?

Ed Beasley
City Manager



CITY OF GLENDALE

Council Communication

Workshop Agenda

11/21/2006

Item No. 2

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Jon M. Froke, AICP, Planning Director

Thomas Ritz, AICP, Senior Planner

SUBJECT: **PROPOSED ANNEXATIONS AN-166 AND AN-167:
NORTHWEST CORNER OF BELL ROAD AND LOOP
101**

Purpose

- This is a request for City Council to provide guidance concerning annexation of 19 acres located at the northwest corner of Bell Road and Loop 101.
- AN-166 is the annexation of 18 acres that is currently located in the City of Peoria and AN-167 is the annexation of 1 acre that is currently located in Maricopa County. Peoria has agreed to deannex the site. Deannexation must occur before Glendale can annex the site.
- This request is being presented to Council in accordance with the procedures outlined in the city's Annexation Policy for undeveloped properties.
- These proposed annexations would permit the development of a proposed 192,000 square foot office condominium complex entirely within the City of Glendale.

Council Strategic Goals Or Key Objectives Addressed

- Glendale 2025, the city's General Plan, includes specific goals addressing the need for growth management. Annexation is a tool that can be used by the city to direct and manage growth.

Background

- Council adopted Glendale's first Annexation Policy on December 16, 2003 and amended the Policy on July 12, 2005. The policy includes a step that incorporates presentation of annexation requests to the Council at a workshop after analysis of the request has been completed by staff.
- The proposed project is currently within 3 jurisdictions: The eastern portion, approximately 13 acres, is within the City of Glendale, the western portion, approximately 18 acres, is within the City of Peoria, and a 1-acre strip in the middle is unincorporated, separating Glendale from Peoria. This parcel consists of the original alignment of 83rd Avenue before the street was realigned to the east.
- The General Plan designation for the portion of the property within the city is Light Industrial (LI). The General Plan designation by the City of Peoria for the portion in the City of Peoria is Business Park / Industrial. Maricopa County refers to Glendale's General Plan for their General Plan designation. A General Plan Amendment application has been filed by the applicant to change the General Plan designation to Office (OFC) over the entire property.
- The portion of the property within the city is zoned Planned Area Development (PAD). The zoning designation for the portion of the property within Maricopa County is Rural-43 (Rural Residential). The zoning designations for the portion of the property within the City of Peoria are Intermediate Commercial (Planned Unit Development) or C-2 (PUD) and Regional Commercial (C-5). A Rezoning application has been filed with the City of Glendale to rezone the entire property to Planned Area Development (PAD). The rezoning will be considered after the annexation is complete.
- The property includes both unincorporated land and property within the City of Peoria, therefore bringing the entire property into Glendale will require two annexation actions. First, annexing the unincorporated portion of the property into Glendale, and once that annexation is completed, annexing the portion of the property currently in the City of Peoria. Second, annexation will require simultaneous deannexation by the City of Peoria, and ratification by the Maricopa County Board of Supervisors.

Community Benefit

- Annexation of these areas will require that any future development meet the Glendale General Plan requirements as well as all other development standards for the City of Glendale.

Policy Guidance

Staff is seeking guidance from the Council to continue with the two annexation processes in accordance with the procedures proscribed in the state statutes.

Ed Beasley
City Manager



CITY OF GLENDALE

Council Communication

Workshop Agenda

11/21/2006

Item No. 3

TO: Honorable Mayor and City Council

FROM: Ed Beasley, City Manager

PRESENTED BY: Art Lynch, Deputy City Manager

Raymond H. Shuey, Chief Financial Officer/Finance Director

Sherry M. Schurhammer, Management & Budget Director

SUBJECT: **FY 2005-06 YEAR END GENERAL FUND STATUS
REPORT ON REVENUES AND EXPENDITURES**

Purpose

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- This is a request for City Council to review the FY 2005-06 year-end report on General Fund (GF) revenue and expenditures.

Council Strategic Goals Or Key Objectives Addressed

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- The FY 2005-06 fourth quarter (year-end) report on the GF is consistent with the Council's goal of ensuring the city's financial stability by conducting timely reviews of expenditures and revenues.

Background

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- In response to Council requests, staff committed to providing quarterly reports on the GF beginning with FY 2003-04.

Fourth Quarter, FY 2005-06

- The GF's fourth quarter (year-end) revenue budget and actuals are as follows (in 000s):

	<u>FY 2005-06 Budget</u>	<u>FY 2005-06 Actuals</u>
City Sales Tax	\$ 55,654	\$ 59,741

State Income Tax	\$ 19,730	\$ 22,909
State Sales Tax	\$ 18,409	\$ 23,298
State Motor Vehicle In-Lieu	\$ 8,866	\$ 10,444
Highway User Revenue Funds	\$ 15,174	\$ 16,888
Primary Property Tax	\$ 3,680	\$ 3,643
All Other	<u>\$ 25,468</u>	<u>\$ 32,568</u>
TOTAL	\$146,981	\$169,491

- FY 2005-06 year-end GF revenue receipts are almost \$22.5 million, or about 15%, more than budgeted.
- City sales tax collections were \$59.7 million. This amount is approximately \$4.1 million, or 7%, ahead of budget. This year-end total is \$7.2 million or 14% more than receipts received in FY 2004-05.
- State-shared revenues collections were \$56.6 million. This amount is approximately \$9.6 million, or 20.5%, more than budgeted. Each of the three components of state-shared revenue performed very well, as the following information shows:
 - State income tax receipts were \$3.2 million, or 16%, more than expected;
 - State sales tax receipts were \$4.9 million, or 26.5%, more than expected; and
 - Motor vehicle in-lieu receipts were \$1.6 million, or 18% more than expected.
- State-shared revenue receipts of \$56.6 million are \$6.9 million, or 14%, ahead of the \$49.7 million collected in FY 2004-05.
- Highway User Revenue Funds (HURF) are commonly called the gas tax even though there are several other transportation-related fees that comprise this revenue source. Much of this revenue source is based on the volume of fuel sold rather than the price of fuel. HURF receipts were \$1.7 million, or 11%, ahead of budget.
- There are two notable one-time sources of revenue reflected in the year-end “All Other” figures. One is the sale of parcels at the Northern Crossing development that generated approximately \$1.3 million. The second is \$1.5 million in contributions by the Fiesta Bowl and Arizona Sports & Tourism Authority for the construction of the youth sports field located at the northwest corner of 91st Avenue and Bethany Home Road.
- The FY 2005-06 fourth quarter budget and actuals for the GF operating and pay-as-you-go (PAYGO) capital expenditures are as follows (in 000s):

	<u>FY 2005-06 Budget</u>	<u>FY 2005-06 Actuals</u>
GF Salaries/Benefits	\$ 97,300	\$ 94,872
GF Non-Personnel	\$ 55,775	\$ 47,432
GF Debt Service (leases)	\$ 4,691	\$ 4,171

PAYGO Capital
TOTAL

\$ 9,604
\$167,370

\$ 6,840
\$153,315

- Overall, year-end actuals were \$14 million less than the amount budgeted, with salary savings totaling \$2.4 million and non-salary savings totaling \$8.3 million. The remaining \$3.3 million in savings came from the PAYGO (\$2.8 million) and debt service (\$520K) categories.
- At the end of FY 2005-06, the budget-basis GF fund balance was \$61.7 million.

Previous Council/Staff Actions

- The FY 2005-06 third quarter report on the GF was presented to Council on June 20, 2006.
- The FY 2005-06 second quarter report on the GF was presented to Council on March 14, 2006.
- The FY 2005-06 first quarter report on the GF was presented to Council on December 20, 2005.

Policy Guidance

This is a status report on the General Fund covering the end of FY 2005-06. No Council guidance is requested on this report.

Ed Beasley
City Manager